

D.P.U. 93-8C

Application of Western Massachusetts Electric Company:

(1) under the provisions of G.L. c. 164, § 94G and the Company's tariff, M.D.P.U. 704, for approval by the Department of Public Utilities of a change in the quarterly fuel charge to be billed to the Company's customers pursuant to meter readings in the billing months of September, October, and November 1993; and

(2) for approval by the Department of rates to be paid to Qualifying Facilities for purchases of power pursuant to 220 C.M.R. 8.00. The rules established in 200 C.M.R. 8.00 set forth the filings to be made by electric utilities with the Department, and implement the intent of sections 201 and 210 of the Public Utilities Regulatory Policies Act of 1978.

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FOR: WESTERN MASSACHUSETTS ELECTRIC
COMPANY
Petitioner

I. INTRODUCTION

On August 5, 1993, pursuant to G.L. c. 164, § 94G and 220 C.M.R. 8.00, Western Massachusetts Electric Company ("WMECo" or "Company") filed with the Department of Public Utilities ("Department") a proposed quarterly change to its fuel charge in conformance with its tariff, M.D.P.U. 704, and to its Qualifying Facility ("QF") power purchase rates in conformance with its tariff, M.D.P.U. 586. The Company requested that both these changes be effective for bills issued pursuant to meter readings for the billing months of September, October and November, 1993. This matter was docketed as D.P.U. 93-8C.

In addition, on July 23, 1993, the Company requested an extension for the initial filing of the actual generating unit performance results. Pursuant to G.L. c. 164, § 94G, the Department is authorized to continue the proceeding in order to investigate performance variances from the goals established for a company's generating units for the twelve-month performance period. Accordingly, the Department hereby extends the proceeding for the performance review, and will docket this as D.P.U. 93-8C-A.

Pursuant to notice duly issued, a public hearing on the Company's application was held on August 19, 1993 at the Department's offices in Boston. Notice of the hearing was published in the Springfield Daily News, the Greenfield Recorder Gazette, the Berkshire Eagle, the Daily Hampshire Gazette, and

the Boston Globe. The Company also complied with the requirement to mail a copy of the notice of the hearing to all persons with whom the Company has special retail contracts that do not incorporate a filed rate, and to all intervenors and their respective counsel from the Company's prior two fuel charge proceedings. No petitions for leave to intervene were filed.

At the hearing, the Company sponsored three witnesses: Robert A. Baumann, manager of fuel accounting and recovery; Stan Puzio, supervisor in fuel recovery; and Michael J. Delphia, supervisor of resource planning. The Company submitted two exhibits and responded to two record requests. In addition, pursuant to D.P.U. 87-8D-2, WMECo has submitted to the Department its Monthly Nuclear Operating Reports for the past quarter.

The Company is a wholly-owned subsidiary of Northeast Utilities ("NU") of Hartford, Connecticut, a public utility holding company. NU's other subsidiaries, affiliates of WMECo, include Connecticut Light and Power Company, Holyoke Water Power Company, Northeast Nuclear Energy Company, Charter Oak Energy, Inc., and Northeast Utilities Service Company ("NUSCo"), which provides engineering, technical and other services for NU companies. Two other subsidiaries, Rocky River Realty Company and Quinnehtuk Company, are involved in real estate matters. WMECo receives some of its power requirements pursuant to contractual rights from utilities both within and without the NU

system. In addition, WMECo owns nine generating units. WMECo is engaged in the generation, transmission, and distribution of electric power to serve, on average during 1992, 191,912 customers in its service territory, which includes over 50 cities and towns in Western Massachusetts. WMECo's total sales to ultimate customers, as shown in its 1992 financial report provided to the Department, were \$385,698,813.

II. FUEL CHARGE

On August 12, 1993, the Company filed with the Department its proposed changes to its fuel charge and QF power purchase rates for the months of September, October, and November. For these billing months, the Company proposes a fuel charge of \$0.00452 per kilowatthour ("KWH")¹. The proposed fuel charge is \$0.00332 per KWH less than the fuel charge of \$0.00784 per KWH approved by the Department in Western Massachusetts Electric Company, D.P.U. 93-8B (1993) for meter readings for the billing months of June, July and August, 1993.

The Company's witness, Mr. Puzio, stated that the primary reasons for the decrease in the proposed fuel charge are lower energy expenses resulting from lower forecasted loads in the upcoming quarter and higher nuclear and hydro generation (Tr. at 7). The forecasted electrical requirements are lower because the cooling demand is very small and the heating demand

1 The fuel adjustment clause of \$0.00511 per KWH as proposed in its August 12, 1993 filing (Exh. WM-1), was subsequently revised on August 19, 1993 to \$0.00452 per KWH (Exh. WM-2).

does not begin until late in November id. at 15). In addition, the nuclear refueling at Connecticut Yankee has been completed and, in contrast to most of last quarter, is now generating electricity (id. at 15). Finally, the Company had higher sales than expected in July id. at 11).

The Company's witness, Mr. Baumann, commented upon the Company's filing of the Monthly Nuclear Operating Reports ("Reports") pursuant to D.P.U. 87-AD-2 id. at 21-25). He testified that the filing of the Reports are no longer necessary because the Department revised its documentation requirements in 1990 (id. at 23 and SRR-DPU-1).²

III. QUALIFYING FACILITIES

Pursuant to the Department's rules, 220 C.M.R. 8.00 ~~at~~ seq., rates to be paid to QFs for short-run power purchases are set with the same frequency as the fuel charge. A QF is a small power producer or cogenerator that meets the criteria established by the Federal Energy Regulatory Commission in 18 C.F.R. § 292.203(a) and adopted by the Department in 220 C.M.R. § 8.02.

2 In Commonwealth Electric Company, D.P.U. 89-3C-1 (1990), the Department determined that it would be appropriate for Commonwealth Electric Company, in their performance review filings, to include certain basic information regarding unit outages and deratings. This information incorporated data on planned outages, unplanned outages exceeding 50 consecutive hours, and all major units that failed to achieve their equivalent availability factor ("EAF") goals. D.P.U. 89-3C-1 at 18,19. On April 23, 1990, the Department sent Western Massachusetts Electric Company a letter requesting that the Company follow the filing format ordered in D.P.U. 89-3C-1 (see SRR-DPU-1).

Pursuant to the governing regulations, the Company is required to calculate short-run energy purchase rates on a time-of-supply basis for two rating periods: peak and off-peak. In addition, the Company is required to calculate a non-time-differentiated rate,i.e., a total period rate, which is a weighted average of the time-of-supply rates, where the weighting is a function of the number of hours in each rating period. See 220 C.M.R. § 8.04(4)(b).

The Company proposed the following standard rates to be paid to QFs during September, October, and November:

Energy Rates By Voltage Level (Cents/KWH)

<u>Voltage Level</u>	<u>Peak</u>	<u>Off-Peak</u>	<u>Total</u>
Transmission	2.009	1.284	1.631
Bulk Substation	2.018	1.288	1.638
Service at Primary Distribution From:			
23 kV	2.062	1.308	1.667
13.8 kV	2.086	1.318	1.684
4.8/8.3 kV	2.223	1.367	1.769
Service at Secondary Distribution From:			
23 kV Primary	2.116	1.330	1.702
13.8 kv Primary	2.142	1.340	1.720
4.8/8.3 kV Primary	2.281	1.389	1.806

Exh. WM-1

The short-run capacity rate proposed for this quarter is zero (id.).

IV. FINDINGS

Based on the foregoing, the Department finds:

1. That the fuel charge to be applied to Company bills issued pursuant to meter readings for the billing months of September, October, and November, shall be .00452 per KWH. (The calculation of the fuel charge is shown in Table 1 attached to this Order.)

2. That the Qualifying Facility power purchase rates for September, October, and November, shall be the rates set forth in Section III, above.

3. That since the Monthly Nuclear Operating Reports are no longer examined during fuel charge proceedings, in the future, the Company must file the Reports only when requested by the Department during the Company's performance review proceeding. The Department notes that pursuant to 220 C.M.R. 75.02 § 22.2(k), the Company must keep the Reports on file for the life of the nuclear unit.

V. ORDER

Accordingly, after due notice, hearing and consideration, it is

ORDERED: That the Western Massachusetts Electric Company is authorized to put into effect a quarterly fuel charge of \$.00452 per KWH as set forth in Section IV, Finding 1 of this Order for bills issued pursuant to meters reading for the billing months of September, October and November, subject to refund; and

it is

FURTHER ORDERED That the fuel charge approved herein shall apply to kilowatthours sold to the Company's customers subject to the jurisdiction of the Department and shall be itemized separately on all such customers' electric bills; and it is

FURTHER ORDERED That the Company's Qualifying Facility power purchase rates for the billing months of September, October, and November shall be those set forth in the Table on page 5 of this Order; and it is

FURTHER ORDERED That the Company, in all future fuel charge proceedings, shall notify all intervenors and their respective counsel from the Company's prior two fuel charge proceedings that it is proposing an adjustment to its fuel charge, and shall also notify these persons of the date scheduled for the hearing on the proposed fuel charge at least ten days in advance of the hearing; and it is

FURTHER ORDERED That the Company, in all future fuel charge proceedings, shall provide all intervenors and their respective counsel from the prior two fuel charge proceedings with a copy of its fuel charge filing, in hand or by facsimile, on the same day it is filed with the Department; and it is

FURTHER ORDERED That, pursuant to G.L. c. 164, § 94G (a) and (b), fuel costs allowed by this Order are subject to such disallowance as the Department may determine in any subsequent investigation of the Company's performance period that includes

the quarter applicable to the present charges; and it is

FURTHER ORDERED That the Company shall comply with all other directives contained herein.

By Order of the Department,